**Section 653.220 Grant Contract Requirements and Procedures**

a) As a condition for receiving operating assistance, the applicant shall enter into a grant contract with the Department. The Department will send two copies of the grant contract to the applicant as soon as possible following notification that the application has been approved.

b) The grant contract shall include, at a minimum, the following terms and conditions:

1) funding amounts and limitations;

2) payment procedures and conditions;

3) the Department's attendance at the participant's FTA triennial reviews;

4) records maintenance and access requirements;

5) participant's authority to contract;

6) inspection rights of the State;

7) indemnification of the State;

8) audit scope, procedures and requirements;

9) provisions governing the legal relationships between the participant and the State, and other provisions as required by State or local laws; and

10) provisions regarding ethics, prohibited interests, a drug free workplace, non-discrimination, school bus operations, and other provisions as required by State law.

c) The applicant shall execute both copies of the grant contract and return both copies to the Department together with a resolution of the applicant's governing board and an opinion of counsel as described in subsections (d) and (e).

d) The applicant shall submit, with the executed grant contract, a certified resolution or ordinance adopted by the applicant's governing body that authorizes the execution of the grant contract and identifies the person, by position, authorized to sign the grant contract and payment requisitions and to provide official information to the Department.

e) The applicant shall submit, with the executed grant contract, a legal opinion from an attorney licensed to practice law in the State and authorized to represent the applicant in the matter of the grant contract, stating that:

1) the applicant is lawfully organized;

2) the applicant is an eligible participant under the Act;

3) the applicant is legally authorized to enter into the grant contract; and

4) the grant contract will be legally binding on the applicant.

f) Upon receipt of the applicant's executed grant contract, the applicant's governing body resolution or ordinance and the legal opinion, the Department will execute the grant contract on behalf of the State and will return one executed copy to the applicant.

g) The application and all other documents or materials requested by the Department, submitted by the applicant and accepted by the Department before and after grant contract execution, shall become a part of and incorporated into the grant contract.

(Source: Amended at 34 Ill. Reg. 13142, effective August 24, 2010)